

RESOLUTION NO. 2672

**APPROVAL OF THE GENERAL LAND OFFICE COMMUNITY DEVELOPMENT
BLOCK GRANT DISASTER RECOVERY PROGRAM RENTAL HOUSING
PROJECTS ROUND 2 SUBRECIPIENT GRANT AGREEMENT**

WHEREAS, Hurricane Ike flooded and damaged all of the public housing units at Oleander Homes, Palm Terrace, Cedar Terrace, and Magnolia Homes developments; and

WHEREAS, Galveston Housing Authority (GHA) adopted the redevelopment plan drafted by the General Land Office (GLO) that requires GHA to redevelop mixed income communities at the former sites of Cedar Terrace and Magnolia Homes; and

WHEREAS, Community Development Block Grant Disaster Recovery funding is being utilized to replace the public housing units damaged by Hurricane Ike; and

WHEREAS, the grant agreement attached hereto is entered into by and between the GLO and GHA to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing, in accordance with Executive Order 12892.

NOW, THEREFORE, BE IT RESOLVED in connection with the request for Disaster Funds from the GLO for the redevelopment of Cedar Terrace and Magnolia Homes, the Galveston Housing Authority Board of Commissioners hereby adopts the resolution and the Interim Executive Director, acting on behalf of GHA, is authorized to enter into a subrecipient agreement with the GLO.

Approved February 25, 2013

	AYES	NAYS	ABSTENTIONS	ABSENCES
Irwin "Buddy" Herz	_____	_____	_____	_____
Anthony Brown	_____	_____	_____	_____
Teresa Banuelos	_____	_____	_____	_____
Ann Masel	_____	_____	_____	_____
J.T. Edwards	_____	_____	_____	_____

Certified and signed by:

Mona Purgason, Interim Executive Director/Secretary
For the Board



GLO CONTRACT NO. 12-***
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY PROGRAM RENTAL HOUSING PROJECTS
ROUND 2 SUBRECIPIENT GRANT AGREEMENT

This Community Development Block Grant Disaster Recovery (“CDBG-DR”) grant agreement (the “Contract”) is entered into by and between the **GENERAL LAND OFFICE** (“the GLO”), a Texas state agency, and *** (“Subrecipient”), hereinafter referred to collectively as “the Parties,” to provide financial assistance with funds appropriated by the Consolidated Security, Disaster Assistance, and Continuing Appropriation Act (Public Law 110-329) enacted on September 30, 2008, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by Hurricanes Dolly and Ike, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*).

ARTICLE 1 - GENERAL PROVISIONS

1.01 SCOPE OF PROJECT AND GRANT AWARD

(a) Scope of Project

The purpose of this Contract is to set forth the terms and conditions of a Grant from the GLO to Subrecipient under the CDBG Disaster Recovery program (“CDBG-DR”). In strict conformance with the terms and conditions of this Contract, Subrecipient shall perform, or cause to be performed, repair, reconstruction, and new construction, of rental housing, as applicable, in ***, *** County, Texas (the “Project”). The Project shall be conducted in strict accordance with the terms of this Contract, including all Contract Documents in **SECTION 1.02**, below, and any Amendments, Revisions or Technical Guidance Letters issued by the GLO.

(b) Grant Award

Subrecipient submitted a Grant Application for grant under the Program, and the GLO is entering into this Contract based on Subrecipient’s Application.

Subject to the terms and conditions of this Contract and Subrecipient’s Application, the GLO agrees to make a grant to Subrecipient in an amount not to exceed *** **DOLLARS (\$***)**, payable as reimbursement of allowable expenses incurred by Subrecipient, to be used in strict conformance with the terms of this Contract, and the Project Budget in **Attachment B**.

The GLO is not liable to Subrecipient for any costs incurred by Subrecipient before the effective date of this Contract or after the expiration or termination of this Contract. However, the GLO in its sole discretion, may reimburse Subrecipient for allowable program costs incurred prior to the effective date of this Contract.

1.02 CONTRACT DOCUMENTS

The GLO and Subrecipient hereby agree that this document and the following Attachments, attached hereto and incorporated herein in their entirety for all purposes, shall govern this Contract:

- ATTACHMENT A:** Performance Statements and Benchmarks for Rental Housing Projects
- ATTACHMENT B:** Project Budgets for Rental Housing Projects
- ATTACHMENT C:** Nonexclusive list of Applicable Laws, Rules, and Regulations
- ATTACHMENT D:** General Affirmations
- ATTACHMENT E:** Federal Assurances – Non-Construction Programs SF-424B (Rev. 7-97) and Certifications Regarding Lobbying Lower Tier Covered Transactions (Form CD-512, Rev. 12-04)
- ATTACHMENT F:** Special Conditions

1.03 GUIDANCE DOCUMENTS

Subrecipient shall be deemed to have read and understood and agrees to abide by all guidance documents applicable to the CDBG-DR program including but not limited to:

(1) the CDBG-DR Project Implementation Manual found at:

<http://www.glo.texas.gov/GLO/disaster-recovery/nonhousing/forms-publications.html>;

(2) the State of Texas Action Plan for Disaster Recovery found at;

<http://www.glo.texas.gov/GLO/disaster-recovery/action-plans.html>; and

(3) the Conciliation Agreement between: the Texas Low Income Housing Information Service and Texas Appleseed, and the State of Texas, by and through the Texas Department of Rural Affairs and the Texas Department of Housing and Community Affairs, as approved by HUD in its letter dated May 26, 2010, to the Office of the Attorney General of Texas.

1.04 DEFINITIONS

“Act” means Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. Sec. 5301 *et seq.*); and Public Law 110-329.

“Administrative and Audit Regulations” means the regulations included in Title 24, CFR, Part 85. Chapter 321 of the Government Code; Subchapter F of Chapter 2155 of the Government Code; and the requirements of Article VII herein. With regard to any federal funding, agencies with the necessary legal authority include: the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of Inspector General, and any of their authorized representatives. In addition, with regard to any state funding, state agencies with the necessary legal authority include: the GLO, the GLO’s contracted examiners, the State Auditor’s Office, and the Texas Attorney General’s Office.

“Amendment” means a written agreement, signed by the parties hereto, which documents alterations to the Contract other than those permitted by Work Orders, Technical Guidance Letters, or Revisions, as herein defined.

“Application” or “Grant Application” means the information provided by Subrecipient, which is the basis for the award of funding under this Contract.

“Benchmark” means the time periods allowed in **Attachment A** for the completion by Subrecipient of various requirements under the Contract.

“Budget” means the budget for the Projects funded by the Contract, a copy of which is included in **Attachment B**.

“CDBG-DR” means the U.S. Department of Housing and Urban Development’s Community Development Block Grant Disaster Recovery program.

“Construction Documents” means the engineering specifications, construction plans, and/or architectural plans for the construction of improvements approved by the GLO under the Contract, if any.

“Contract” means this entire document, along with any Attachments, both physical and incorporated by reference; and any Amendments, Revisions, or Technical Guidance Letters that may be issued by the GLO, to be incorporated by reference herein for all purposes as they are issued, if any. “Contract Documents” means the documents listed in **SECTION 1.02**.

“C.F.R.” means the United States Code of Federal Regulations.

“Deliverable(s)” means the work product(s) required to be submitted to the GLO as set forth in the Performance Statement, which is included in **Attachment A**.

“Equipment” means tangible personal property have a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000.00) or more per unit.

“Event of Default” means the occurrence of any of the events set forth in **SECTION 3.03** herein.

“Federal Assurances” means Standard Form 424B (Rev. 7-97), as prescribed by OMB Circular A-102 (non-construction programs) in **Attachment E**.

“Federal Certifications” means U.S. Department of Commerce Form CD-512 (Rev 12-04), “Certifications Regarding Lobbying - Lower Tier Covered Transactions,” and Standard Form LLL (Rev. 7-97), Disclosure of Lobbying Activities, in **Attachment F**.

“Final Inspection Report” means the document submitted by a housing inspector to a Subrecipient under a CDBG-DR Housing grant contract, indicating the completed construction of one Housing Unit (as defined below).

“Fiscal Year” means the period beginning September 1 and ending August 31 each year, which is the annual accounting period for the State of Texas.

“GAAP” means “generally accepted accounting principles” as applicable.

“GASB” means accounting principals as defined by the Governmental Accounting Standards Board, as applicable.

“General Affirmations” means the affirmations in **Attachment D**, to which Subrecipient certifies by the signing of this Contract.

“GLO” means the Texas General Land Office, its officers, employees, and designees.

“Housing” refers to a project involving home repair, home reconstruction, and new home construction; including housing for single-family and multi-family rental units under a CDBG-DR program grant.

“Housing Guidelines” means a set of guidelines adopted by Subrecipient and approved by the GLO governing the implementation of the Program under this Contract.

“Housing Unit” means one house, or one multi-family rental unit.

“HQS” means the Housing Quality Standards adopted by HUD and found at 24 CFR Part 982, which standards shall apply to any services authorized under this Contract.

“HUB” means Historically Underutilized Business as defined by Chapter 2161 of the Texas Government Code.

“HUD” means the United States Department of Housing and Urban Development.

“Performance Statement” means the statement of work contained in **Attachment A**.

“PMC” means the GLO’s Project Management Company, HNTB Corp., Inc.

“Program” means the Community Development Block Grant Disaster Recovery program, administered by HUD, in cooperation with the GLO.

“Project” means the work to be performed under this Contract, as described in **SECTION 1.01(a)** above, **SCOPE OF PROJECT**, and as detailed in **Attachment A**.

“Project Completion Report” means a report containing an “as built” accounting of all projects completed under a CDBG-DR grant, and containing all information required to completely close out a grant file.

“Project Implementation Manual” means a set of guidelines for the CDBG-DR grant program.

“Public Information Act” means Chapter 552 of the Texas Government Code.

“Quarterly Reports” means written progress reports that must be received by the GLO, as set forth in **Attachment A**.

“Revision” means written approval by the GLO to allow changes to Deliverable due dates, movement of funds among budget categories, and other Contract adjustments that may be approved outside the GLO’s formal Amendment process.

“Setup” means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

“Technical Guidance Letter or ‘TGL’” means an instruction, clarification, or interpretation of the requirements of the CDBG-DR, issued by the GLO to specified recipients, applicable to specific subject matter, to which the addressed Program participants shall be subject.

“Texas General Code Construction Requirements” means Section 2306.514 of the Texas Government Code.

“Subrecipient” means *******, awarded the CDBG-DR grant that is the subject of this Contract.

“U.S.C.” means the United States Code.

1.05 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;
- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract, unless otherwise specified;
- (c) The term “including” is not limiting, and means “including without limitation” and, unless otherwise expressly provided in this Contract,
- (d) references to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent Amendments and other modifications thereto, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Contract, and
- (e) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation;
- (f) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;
- (g) All Attachments within this Contract, including those incorporated by reference, and any Amendments, are considered part of the terms of this Contract;
- (h) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;
- (i) Unless otherwise expressly provided, reference to any action of the GLO or by the GLO by way of consent, approval, or waiver shall be deemed modified by the phrase “in the sole discretion of the GLO.”

Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the GLO shall not be unreasonably withheld or delayed;
- (j) All due dates and/or deadlines referenced in this Contract that occur on a weekend or holiday shall be considered as if occurring on the next business day;
- (k) All time periods in this Contract shall commence on the day after the date on which the applicable event occurred, report is submitted, or request is received; and
- (l) Time is of the essence in this Contract.

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**ARTICLE 2 – REIMBURSEMENT, ADVANCE PAYMENT,
BUDGET VARIANCE, AND INCOME**

2.01 REIMBURSEMENT REQUESTS

Each invoice shall be supported by actual receipts, cancelled checks, and/or such other documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred. Requests for payment must be submitted in Word or WordPerfect format via email.

2.02 REQUESTS FOR REIMBURSEMENT UNDER THIS CONTRACT MUST BE RECEIVED BY THE GLO NOT LATER THAN SIXTY (60) DAYS FROM THE DATE SUBRECIPIENT INCURS THE EXPENSE, INCLUDING INVOICES FOR EXPENSES INCURRED BY ANY SUBCONTRACTOR. FAILURE BY SUBRECIPIENT TO COMPLY IN A TIMELY MANNER WITH THIS REQUIREMENT MAY, AT THE GLO'S SOLE DISCRETION, RESULT IN DENIAL OF THE REQUEST FOR REIMBURSEMENT.

2.03 ADVANCE PAYMENTS

If necessary and if allowed by law, Subrecipient's requests for an advance of funds shall be limited to the minimum amount needed for effective accomplishment of the Project under this Contract, and shall be timed as closely as possible to actual cash requirements. Subrecipient shall establish procedures to minimize the time elapsing between the transfer of funds from the GLO to Subrecipient, and shall ensure that such funds are disbursed as soon as administratively possible.

2.04 BUDGET VARIANCE

Amendments to decrease or increase the Budget, or to add or delete an Activity may be made only by written agreement of the parties, under the formal amendment process. In the sole discretion of the GLO, and in conformance with federal law, other adjustments as may be required during project performance may be approved by the GLO by way of a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

SUBRECIPIENT SHALL SUBMIT AN ACTUAL BUDGET AND A CERTIFICATE OF EXPENDITURES TO THE GLO NO LATER THAN SIXTY (60) DAYS AFTER THE CONTRACT TERMINATION DATE OR AT THE CONCLUSION OF ALL CONTRACT ACTIVITIES, WHICHEVER OCCURS FIRST. THE CERTIFICATE OF EXPENDITURES SHALL BE IN A FORMAT PRESCRIBED BY THE GLO AND SHALL BE ACCOMPANIED BY A FINAL PROJECT COMPLETION REPORT OF ALL ACTIVITIES PERFORMED UNDER THIS CONTRACT.

2.05 INCOME

Subrecipient shall maintain records of the receipt and accrual of all Program income in the same manner as required for all other funds under this Contract, and Subrecipient shall provide reports of Program income to the GLO with each form submitted by Subrecipient in accordance with ARTICLE 4 of this Contract. All Program income must be returned to the GLO on at least a quarterly basis and must be reported to the GLO, as requested.

2.06 GRANT OFFER SUBJECT TO CANCELLATION

IF SUBRECIPIENT DOES NOT RETURN THE ORIGINAL SIGNED CONTRACT TO THE GLO WITHIN THIRTY (30) DAYS OF TRANSMITTAL OF THE CONTRACT TO SUBRECIPIENT, GRANT FUNDING FOR THE PROJECT MAY BE SUBJECT TO CANCELLATION.

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ARTICLE 3 -- DURATION, EXTENSION, AND TERMINATION OF CONTRACT

3.01 DURATION OF CONTRACT AND EXTENSION OF TERM

This Contract shall become effective on the date signed by the last party, and shall terminate on December 31, 2015 ("Contract Period"), or upon the completion of all Benchmarks listed in **Attachment A**, and required closeout procedures, whichever occurs first.

Upon receipt of a written request and acceptable justification from Subrecipient, the GLO may amend this Contract to extend the Contract Period. **ANY REQUEST FOR EXTENSION MUST BE RECEIVED BY THE GLO AT LEAST SIXTY (60) DAYS BEFORE THE ORIGINAL TERMINATION DATE OF THIS CONTRACT AND, IF APPROVED, SUCH EXTENSION SHALL BE BY WRITTEN AMENDMENT.**

3.02 EARLY TERMINATION

The GLO may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days subsequent to the date of the notice. Upon receipt of such notice, Subrecipient shall cease work, undertake to terminate any relevant subcontracts, and incur no further expense related to this Contract. Such early termination shall be subject to the equitable settlement of the respective interests of the parties, accrued up to the date of termination.

3.03 EVENTS OF DEFAULT

Each of the following events shall constitute an Event of Default under this Contract: (i) Subrecipient's failure to comply with any term, covenant, or provision contained in this Contract; (ii) Subrecipient makes a general assignment for the benefit of creditors or takes any similar action for the protection or benefit of creditors; or (iii) if at any time, Subrecipient makes any representation or warranty that is incorrect in any material respect to the Performance Statement, any request for payment submitted to the GLO, or any report submitted to the GLO related to the Contract.

3.04 REMEDIES; NO WAIVER

Upon the occurrence of any such Event of Default, the GLO shall be entitled to avail itself of any equitable or legal remedy. A right or remedy conferred by this Contract upon either party is not intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Contract, or hereafter legally existing, upon the occurrence of an Event of Default. The failure of the GLO either to insist at any time upon the strict observance or performance of any of the provisions of this Contract, or the GLO's failure to exercise any right or remedy as provided in this Contract, shall not impair any such right or remedy or be construed as a waiver or relinquishment thereof with respect to subsequent Events of Default.

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ARTICLE 4 - GRANT ADMINISTRATION

4.01 SUBMISSIONS – GENERALLY

Except for legal notices that must be sent by specific instructions pursuant to **SECTION 8.11** of the Contract, **NOTICES**, and all other reports and documentation as required by the Project Implementation Manual; any report, form, or request required to be submitted to the GLO under this Contract shall be sent in the format prescribed by the GLO.

(A) HOUSING GUIDELINES

No later than the close of business sixty (60) days subsequent to the effective date of this Contract, Subrecipient must submit Housing Guidelines to the GLO.

(B) FORMS

Subrecipient must execute the forms included in **Attachment E**, and certifies by the execution of this Contract to all affirmations in **Attachment D**, confirming compliance with required state and federal laws applicable to the Contract.

- (i) General Affirmations are found in **Attachment D**, and Subrecipient certifies by the execution of this Contract to all statements therein.
- (ii) The Federal Assurances for Non-Construction Programs (Standard Form 424B), as applicable to the Project, is found at Page 1 of **Attachment E**, and must be executed by Subrecipient.
- (iii) Certifications Regarding Lobbying Lower Tier covered Transactions (Form CD-512) is found at Page 3 of **Attachment E**, and must be executed by Subrecipient.
- (iv) If any funds granted under this Contract have been used for lobbying purposes, Subrecipient must complete and execute Standard Form LLL, Disclosure of Lobbying Activities, found at Page 4 of **Attachment E**.

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ARTICLE V - FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

- (a) Funding for this Contract is appropriated under the Consolidated Security, Disaster Assistance, and Continuing Appropriation Act (Public Law 110-329) enacted on September 30, 2008, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by Hurricanes Dolly and Ike, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The fulfillment of this Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DR Program, and any other applicable laws. Further, Subrecipient acknowledges that all funds are subject to recapture and repayment for non-compliance.
- (b) **All participants in the CDBG-DR grant program must have a data universal numbering system (DUNS) number, as well as a Commercial And Government Entity (CAGE) Code.**
- (c) **The DUNS number and CAGE Code must be reported to the GLO for use in various grant reporting documents, and may be obtained by visiting the Central Contractor Registration web site at:**

<https://www.bpn.gov/ccr/>

Assistance with this web site may be obtained by calling **866-606-8220**.

5.02 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VII, Section 6 of the Texas Constitution, it is understood that all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, this Contract may be terminated. In that event, the parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.
- (b) Furthermore, any claim by Subrecipient for damages under this Contract may not exceed the amount of funds appropriated for payment, but not yet paid to Subrecipient, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

Subrecipient shall conduct, in a satisfactory manner as determined by the GLO, the Project as set forth in the Contract. The discretionary right of the GLO to terminate for convenience under **SECTION 2.02** notwithstanding, it is expressly understood and agreed by Subrecipient that the GLO shall have the right to terminate the Contract and to recapture, and be reimbursed for any payments made by the GLO (i) that exceed the maximum allowable HUD rate; (ii) that are not allowed under applicable laws, rules, and regulations; or (iii) that are otherwise inconsistent with this Contract, including any unapproved expenditures.

5.04 OVERPAYMENT

Subrecipient understands and agrees that it shall be liable to the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Subrecipient further understands and agrees that reimbursement of such disallowed costs shall be paid by Subrecipient from funds which were not provided or otherwise made available to Subrecipient under this Contract.

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ARTICLE 6 - INTELLECTUAL PROPERTY

6.01 OWNERSHIP AND USE

- (a) The parties to this Contract expressly agree that all right, title, and interest in, and to, all reports, drafts of reports, or other material, data, drawings, computer programs and codes associated with this Contract, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract shall be jointly owned by the parties with each party having the right to use, reproduce, or publish any or all of such information and other materials without the necessity of obtaining permission from the other party and without expense or charge.
- (b) The GLO and HUD are granted a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for U.S. Government purposes, all reports, drafts of reports, or other material, data, drawings, computer programs, and codes associated with this Contract, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract.

6.02 NONENDORSEMENT BY STATE AND THE UNITED STATES

Subrecipient shall not publicize or otherwise circulate promotional material (such as advertisements, sales brochures, press releases, speeches, still and motion pictures, articles, manuscripts, or other publications) that states or implies State of Texas or U.S. Government, or government employee, endorsement of a product, service, or position that the Subrecipient represents. No release of information relating to this Grant may state or imply that the State of Texas or the U.S. Government approves of Subrecipient's work products, or considers Subrecipient's work product to be superior to other products or services.

6.03 APPROVAL OF PUBLICATION AND SPECIFIC DISCLAIMER REQUIRED

Prior to publication, Subrecipient must submit to the GLO, for HUD approval, any public information releases concerning this Grant Award that refer to HUD or any bureau or employee. The specific text, layout photographs, and so forth, of the proposed release must be submitted with the request for approval. The specific acknowledgements and funding statements that must be included in certain publications funded by the Subrecipient are set forth in the Contract Documents.

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ARTICLE 7 - RECORDS, AUDIT, AND RETENTION

7.01 BOOKS AND RECORDS

Subrecipient shall keep and maintain under GAAP or GASB, as applicable, full, true, and complete records necessary to fully disclose to the GLO, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives, sufficient information to determine compliance with the terms and conditions of this Contract and all state and federal rules, regulations, and statutes including, but not limited to, the applicable laws and regulations provided in **Attachment C**.

7.02 INSPECTION AND AUDIT

- (a) Subrecipient agrees that all relevant records related to this Contract and any Work Product produced in relation to this Contract, including the records and Work Product of its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and Work Product shall be subject, at any time, to inspection, examination, audit, and copying at any location where such records and Work Product may be found, with or without notice from the GLO or other government entity with necessary legal authority. Subrecipient agrees to cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Subrecipient will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and Work Product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) Subrecipient understands that acceptance of state funds under this Contract acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Subrecipient further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. Subrecipient will ensure that this clause concerning the State Auditor's Office's authority to audit state funds and the requirement to fully cooperate with the State Auditor's Office is included in any subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of Subrecipient relating to the Contract for any purpose. HUD, the Comptroller General, the General Accounting Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection. **SUBRECIPIENT SHALL ENSURE THAT ALL SUBCONTRACTS AWARDED REFLECT THE REQUIREMENTS OF THIS SECTION 7.02, AND THE REQUIREMENT TO COOPERATE.**
- (c) Subrecipient will be deemed to have read and have knowledge of all applicable federal, state, and local laws, regulations, and rules including, but not limited to those identified in **Attachment C**, governing audit requirements pertaining to the Project.

7.03 SUBRECIPIENT SELF-AUDIT AND TARGETED AUDITS

(a) Subrecipient Self-Audit

Subrecipient, on approval of the GLO and/or HUD may conduct an annual financial and compliance audit of funds received and performances rendered under this Contract. Subrecipient may utilize funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the activities funded by the GLO under this Contract, provided however that the GLO shall not make payment for the cost of such audit services until the GLO has received from Subrecipient a satisfactory audit report and invoice, as determined by the GLO. The invoice submitted for reimbursement should clearly show the percentage of cost relative to the total cost of the audit services. Therefore, Subrecipient shall submit an invoice showing the total cost of the audit and the corresponding prorated charge per funding source. If applicable, an explanation shall be submitted with the reimbursement request, explaining why the percentage of audit fees exceeds the prorated amount allowable.

(b) Targeted Audits

In addition, the GLO shall have the right at any time to perform, or to instruct the performance of, an annual program and/or fiscal audit, or to conduct a special or targeted audit of any aspect of the operation of Subrecipient, using an auditor of the GLO's choice. Subrecipient shall maintain such financial records and other records as may be prescribed by the GLO or by applicable federal and state laws, rules, and regulations. Subrecipient shall retain these records for a period of five (5) years after final payment or until they are audited by the GLO, whichever event occurs first. These records shall be made available during the term of this Contract and the subsequent five (5) year period for examination, transcription, and audit.

7.04 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period subsequent to the final closeout of the overall State of Texas CDBG-DR grant program, in accordance with federal regulations. **The GLO will notify all Program participants of the date upon which local records may be destroyed.**

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ARTICLE 8 - MISCELLANEOUS PROVISIONS

8.01 LEGAL OBLIGATIONS

Subrecipient shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, insurance, waiver, permit, qualification, or certification required by statute, ordinance, law, or regulation to be held by Subrecipient to provide the goods or services required by this Contract. Subrecipient will be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Subrecipient agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. Subrecipient shall not commence work on the Project until it has obtained the requisite licenses and/or permits, if applicable. **COPIES OF SUCH LICENSES AND PERMITS SHALL BE INCLUDED AS A PART OF THE MONTHLY REPORT FOR THE PERIOD DURING WHICH THEY ARE OBTAINED.**

8.02 INDEMNITY

AS GOVERNMENTAL ENTITIES AND REQUIRED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, EACH PARTY UNDERSTANDS THAT THEY ARE LIABLE FOR ANY PERSONAL INJURIES, PROPERTY DAMAGE, OR DEATH RESULTING FROM THE ACTS OR OMISSIONS OF SUCH PARTY. IN THE EVENT THAT THE GLO IS NAMED AS A PARTY DEFENDANT IN ANY LITIGATION ARISING OUT OF ALLEGATIONS OF PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE RESULTING FROM THE ACTS OR OMISSIONS OF SUBRECIPIENT, AND FOR WHICH THE GLO IS LIABLE, IF AT ALL, ONLY THROUGH THE VICARIOUS LIABILITY OF SUBRECIPIENT, THEN, IN SUCH EVENT, SUBRECIPIENT AGREES THAT IT WILL PAY, ON BEHALF OF THE GLO, ALL COSTS AND EXPENSES OF LITIGATION (INCLUDING ANY COURT COSTS, REASONABLE ATTORNEYS' FEES, FEES OF ATTORNEYS APPROVED BY THE OFFICE OF THE TEXAS ATTORNEY GENERAL) AS WELL AS ALL AMOUNTS PAID IN SETTLEMENT OF ANY CLAIM, ACTION, OR SUIT, INCLUDING JUDGMENT OR VERDICT, ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT. IN THE EVENT THAT SUBRECIPIENT IS NAMED AS A PARTY DEFENDANT IN ANY LITIGATION SEEKING ANY DAMAGES FOR ANY PROPERTY DAMAGE, PERSONAL INJURY, OR DEATH RESULTING OUT OF THE GLO'S ACTIONS OR OMISSIONS, AND SUBRECIPIENT'S SOLE LIABILITY, IF ANY, IS ONLY VICARIOUSLY THROUGH THE GLO, THEN, IN SUCH EVENT, THE GLO AGREES TO PAY ANY AND ALL CLAIMS, DEMANDS, OR LOSSES, INCLUDING EXPENSES OF LITIGATION (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) INCURRED BY SUBRECIPIENT, INCLUDING ANY VERDICTS OR JUDGMENTS OR AMOUNTS PAID IN SETTLEMENT OF ANY CLAIM ARISING OUT OF, OR IN CONNECTION WITH THIS CONTRACT. ANY ATTORNEYS RETAINED BY SUBRECIPIENT TO REPRESENT ANY INTEREST OF THE GLO MUST BE APPROVED BY THE GLO AND BY THE OFFICE OF THE TEXAS ATTORNEY GENERAL. ANY ATTORNEYS RETAINED BY THE GLO TO REPRESENT THE INTEREST OF SUBRECIPIENT MUST BE APPROVED BY SUBRECIPIENT.

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8.03 INSURANCE AND BOND REQUIREMENTS

- (a) Unless Subrecipient is authorized pursuant to Chapter 2259 of the Texas Government Code, entitled “Self-Insurance by Governmental Units,” to self-insure, Subrecipient shall carry insurance for the duration of this Contract in types and amounts necessary and appropriate for the Project.
- (b) Subrecipient shall require all contractors, subcontractors, vendors, service providers, or any other person or entity performing work described in **Attachment A** to carry insurance for the duration of Project in the types and amounts customarily carried by a person or entity providing such goods or services, for the duration of the Contract. Any person or entity required to obtain insurance under this Section must also be required to complete and file the declaration pages from the insurance policies with Subrecipient whenever a previously identified policy period expires during the term of Subrecipient’s contract with the person or entity, as proof of continuing coverage. Subrecipient’s contract with any such person or entity shall clearly state that acceptance of the insurance policy declaration pages by the Subrecipient shall not relieve or decrease the liability of the person or entity. Persons or entities shall be required to update all expired policies prior to Subrecipient’s acceptance of an invoice for monthly payment from such parties.
- (c) Subrecipient shall require performance and payment bonds to the extent they are required under Chapter 2257 of the Texas Government Code.
- (d) Subrecipient shall require, on all construction projects, that any person or entity required to provide Federal Construction Assurances shall timely complete SF-424D, entitled “Assurances – Construction Programs,” and Subrecipient shall maintain such documentation.

8.04 ASSIGNMENT AND SUBCONTRACTS

Subrecipient shall not convey any grant obligations or duties under this Contract without the prior written consent of the GLO. Notwithstanding this provision, it is mutually understood and agreed that Subrecipient may subcontract with others for some or all of the services to be performed. In any approved subcontracts, Subrecipient shall legally bind such subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Subrecipient as specified in this Contract. Nothing in this Contract shall be construed to relieve Subrecipient of the responsibility for ensuring that the goods delivered and/or the services rendered by Subrecipient and/or any of its subcontractors comply with all the terms and provisions of this Contract.

8.05 PROCUREMENT

Subrecipient must follow all federal, state, and local procurement procedures and laws applicable to this Project, and must confirm that no vendor is debarred from receiving state or federal funds at each of the following web addresses:

Texas Comptroller's Vendor Performance Program at:

http://www.window.state.tx.us/procurement/prog/vendor_performance;

and the Federal General Services Administration's Excluded Parties List System at:

<https://www.epls.gov/>

8.06 PURCHASES AND EQUIPMENT

Subrecipient shall not seek reimbursement for any Equipment or computer software not included as a reimbursable item in **Attachment B**. Any purchase of equipment or computer software shall be made in accordance with all applicable laws, regulations, and rules including, but not limited to those listed in **Attachment C**. Title and possession of any Equipment or computer software will remain the property of Subrecipient unless and until transferred to the GLO, upon written request of the GLO. Subrecipient shall furnish, with its final request for reimbursement, a list of all Equipment and computer software purchased with grant funds under the Contract, including the name of the manufacturer, the model number, and the serial number. The disposition of any Equipment or computer software shall be in accordance with all applicable laws, regulations, and rules, including but not limited to those listed in **Attachment C**.

8.07 COMMUNICATION WITH THIRD PARTIES

The GLO and the authorities named in **ARTICLE 7**, above, shall have the right to initiate communications with any subcontractor, and may request access to any books, documents, papers, and records of a subcontractor which are directly pertinent to this grant. Such communications may be required to conduct audits and examinations and gather additional information as provided in **ARTICLE 7** herein.

8.08 RELATIONSHIP OF THE PARTIES

Subrecipient is associated with the GLO only for the purposes and to the extent specified in this Contract and, with respect to Subrecipient's performance pursuant to this Contract, Subrecipient shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create for the GLO any liability whatsoever with respect to the indebtedness, liabilities, and obligations of Subrecipient or any other party.

8.09 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Subrecipient shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including, but not limited to, those listed in **Attachments C, D, E, and F**. Subrecipient shall make itself familiar with and at all times shall observe and comply with all federal, state, and local laws, ordinances, and regulations that in any manner affect performance under this Contract. **Subrecipient will be deemed to have knowledge of these laws and regulations and be deemed to understand them.**

In addition, the GLO and Subrecipient mutually certify to that each party is in compliance with Notice of Allocations and Common Application and Reporting Waivers Granted to and Alternative Requirements for Community Development Block Grant (CDBG) Disaster Recovery Subrecipients Under 2008 Supplemental CDBG Appropriations 74 Fed. Reg. 7,244-7,255 (2009).

8.10 CITIZEN PARTICIPATION

- (a) Subrecipient must have written procedures to respond to written complaints within fifteen (15) business days of receipt of such complaint. Citizens must be made aware of the location and the days and hours the location is open for business so they may obtain a copy of these written procedures.
- (b) When requested, Subrecipient shall provide technical assistance to a representative of a group of persons of low- and moderate-income in developing proposals for the use of CDBG-DR funds. The level and type of assistance shall be determined by the Subrecipient based upon the specific needs of the community's residents.
- (c) Subrecipient shall maintain a citizen participation file which includes a copy of the Plan Requirements described in the Round 2 General Housing Activities Application; Subrecipient's complaint procedures; any technical assistance provided by Subrecipient; and public notices, minutes, and attendance lists for public hearings, if any.

8.11 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

GLO

Texas General Land Office
1700 N. Congress Avenue, Mail Code 158
Austin, TX 78701
Attention: Legal Services Division

With a copy to:

Texas General Land Office
1700 N. Congress Avenue, 7th Floor
Austin, TX 78701
Attention: CDBG-DR

Subrecipient

Subrecipient name
Address
City, State ZIP
Attention: ***

Notice given in any other manner shall be deemed effective only if and when received by the party to be notified. Either party may change its address for notice by written notice to the other party as herein provided.

8.12 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Subrecipient irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction with respect to this Contract or any document related hereto. **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO.**

8.13 SEVERABILITY

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist, and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

8.14 DISPUTE RESOLUTION

If a Contract dispute arises that cannot be resolved to the satisfaction of the Parties, either Party may notify the other Party in writing of the dispute. If the Parties are unable to satisfactorily resolve the dispute within fourteen (14) days of the written notification, the Parties must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve the dispute. This provision shall not apply to any matter with respect to which either Party may make a decision within its respective sole discretion.

8.15 PUBLIC INFORMATION

Pursuant to the Public Information Act, records received from Subrecipient may be open to public inspection and copying. The GLO will have the duty to disclose such records, unless a particular record is made confidential by law or exempted from the Public Information Act. Subrecipient may clearly label any individual records as a "trade secret," provided that Subrecipient, to the extent permitted by law, agrees to indemnify and defend the GLO for honoring such designation. The failure to so label any record shall constitute a complete waiver of any and all claims for damages caused by release of the records. If a request for a labeled record is received by the GLO, the GLO will notify Subrecipient of the request in accordance with the Public Information Act.

Subrecipient shall release, to any requestor, the following information:

The amount of CDBG-DR funds expected to be made available;

The range of activities that may be undertaken with CDBG-DR funds;

The estimated amount of CDBG-DR funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate-income persons; and

The proposed CDBG-DR activities likely to result in displacement and the Subrecipient's anti-displacement and relocation plan.

8.16 AMENDMENTS TO THE CONTRACT

Amendments to decrease or increase the Budget, or to add or delete a Subrecipient Activity, or to increase the term of the Contract may be made only by written agreement of the parties, under the formal amendment process. In the sole discretion of the GLO, and in conformance with federal law, other adjustments as may be required during project performance may be approved by the GLO by way of a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

Pursuant to **SECTION 2.04** hereof, a final **Project Completion Report** of all activities performed under this Contract shall be submitted and shall include all such informal revisions approved over the life of the Project.

8.17 ENTIRE CONTRACT AND MODIFICATIONS

This Contract, its integrated Attachment(s), Technical Guidance Letter, or Revision issued in conjunction with this Contract, if any, constitute the entire agreement of the parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Any additional or conflicting terms in such Attachment(s), Technical Guidance Letter, or Revision shall be harmonized with this Contract to the extent possible. Unless such integrated Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the terms of this Contract.

8.18 PROPER AUTHORITY

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to legally bind its respective entity. Subrecipient acknowledges that this Contract is effective for the period of time specified in the Contract. Any work performed by Subrecipient after the Contract terminates is performed at the sole risk of Subrecipient.

8.19 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract.

8.20 SURVIVAL

The provisions of **ARTICLES 5, 6, AND 7; AND SECTIONS 1.01, 1.03, 2.05, 3.02, 3.04, 8.02, 8.03, 8.07, 8.08, 8.09, 8.10, 8.11, 8.13, 8.14, AND 8.15** of this Contract, and any other continuing obligations of Subrecipient shall survive the termination or expiration of this Contract.

SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE
FOR GLO CONTRACT NO. 12-***
SUBRECIPIENT HOUSING GRANT AGREEMENT – ROUND 2**

GENERAL LAND OFFICE

*****SUBRECIPIENT*****

Larry L. Laine, Chief Clerk/
Deputy Land Commissioner

By: _____
Title: _____

Date of execution: _____

Date of execution: _____

LEGAL _____

DIV _____

AGC _____

GC _____

ATTACHED TO THIS CONTRACT:

- ATTACHMENT A:** Performance Statement and Benchmarks – Rental Housing Projects
- ATTACHMENT B:** Project Budgets – Rental Housing Projects
- ATTACHMENT C:** Nonexclusive list of Applicable Laws, Rules, and Regulations
- ATTACHMENT D:** General Affirmations
- ATTACHMENT E:** Federal Assurances – Non-Construction Programs SF-424B (Rev. 7-97) and Certifications Regarding Lobbying Lower Tier Covered Transactions (Form CD-512, Rev. 12-04)
- ATTACHMENT F:** Special Conditions

ATTACHMENTS FOLLOW

RESOLUTION NO. 2676

AUTHORIZING THE BOARD CHAIR OF THE GALVESTON HOUSING AUTHORITY TO EXECUTE A LETTER OF SUPPORT TO THE GALVESTON CITY COUNCIL FOR APPROVAL OF SITE PLANS FOR CEDAR TERRACE AND MAGNOLIA HOMES

WHEREAS, McCormack Baron Salazar (MBS) prepared site plans for Cedar Terrace and Magnolia Homes; and

WHEREAS, these site plans were presented to the Galveston City Planning Commission on June 5, 2012; and

WHEREAS, the City Council, per the City of Galveston Charter, shall approve all plans for public housing; and

WHEREAS, the Planning Director is recommending that the City Council consider these plans at February 28, 2012 city council meeting, and

WHEREAS, the Planning Director requested GHA provide a letter of support which is attached hereto,

NOW THEREFORE BE IT RESOLVED THAT GHA's Board of Commissioners hereby authorizes the Board Chair of GHA to execute a letter of support to the Galveston City Council for approval of site plans for Cedar Terrace and Magnolia Homes.

Approved on February 25, 2013

	AYES	NAYS	ABSTENTIONS	ABSENCES
Irwin M. "Buddy" Herz	_____	_____	_____	_____
Anthony Brown	_____	_____	_____	_____
Teresa Banuelos	_____	_____	_____	_____
Ann Masel	_____	_____	_____	_____
J.T. Edwards	_____	_____	_____	_____

Certified and signed by:

Mona Purgason, Secretary/Interim Executive Director
For the Board

February 18, 2013

Richard Vasquez, Director
City of Galveston Planning Department
823 Rosenberg Street
Galveston, Texas 77550

Dear Mr. Vasquez,

The Galveston Housing Authority (GHA) and its development partner, MBS, have been working with the City of Galveston and the Texas General Land Office (GLO) to develop an acceptable plan for the replacement of public housing units damaged during Hurricane Ike in 2008. The General Land Office developed a plan and suspended the City's disaster recovery funding pending adoption of the plan. The GHA Board adopted this plan along with the budget in order to move forward with redevelopment of the Island.

MBS has developed site plans for the former public housing sites of Magnolia Homes and Cedar Terrace. GHA is required to develop these sites under the plan created by the General Land Office. As Board Chair of GHA, I respectfully request that these site plans be presented to City Council on February 28th, 2013 for any necessary approvals in order that GHA may continue to work towards redeveloping these two sites.

I have attached the resolutions approving the GLO's plan and the corresponding development budget.

Respectfully,

Irwin M. "Buddy" Herz
Chair, GHA Board of Commissioners

RESOLUTION NO. 2657

**RECOMMENDING THAT THE CITY OF GALVESTON CITY COUNCIL
REVIEW AND APPROVE THE RECONSTRUCTION PLAN**

WHEREAS, Hurricane Ike flooded and damaged all of the public housing units at the Oleander Homes, Palm Terrace, Cedar Terrace, and Magnolia Homes developments; and

WHEREAS, the Housing Authority of the City of Galveston, Texas (GHA) demolished these units after receiving notice from the City of Galveston that the units were unfit for human occupancy and in violation of the Dangerous Building Code; and

WHEREAS, GHA's Board of Commissioners has prepared and submitted previous development plans for the replacement of the demolished public housing units, and has in fact, constructed 40 replacement units of public housing at the Oaks IV development; and

WHEREAS, the General Land Office of the State of Texas (GLO) has indicated that it will suspend all funds allocated by the State to the City of Galveston for disaster recovery and, in addition, request reimbursement for disaster recovery funds previously disbursed to the City, unless the City approves the attached plan for the replacement of the remaining demolished public housing units and has given the City an effective deadline of September 28, 2012 for such approval; and

WHEREAS, in order to avoid the possible forfeiture of disaster recovery funding to the City (and forced reimbursements of any previous disbursements), which would create a major financial crisis for the City, and in the interests of the City of Galveston as a whole, GHA has been involved in intensive negotiations over the past several weeks with the City, GLO, Texas Appleseed, Texas Low Income Housing Information Service, Lone Star Legal Aid and local low-income housing advocates to craft a plan for the replacement of the remaining demolished public housing and

WHEREAS, the proposed "Plan for Galveston Public Housing Reconstruction" attached to this Resolution has been reviewed and considered by GHA's Board of Commissioners, and, in order to assist the City of Galveston in avoiding a major financial crisis, the Board of Commissioners desires to submit the said "Plan" for the replacement of the remaining demolished public housing units.

NOW THEREFORE BE IT RESOLVED that, based upon extreme concern that events and proposed actions described above would create a major financial crisis for the City of Galveston if approval of the attached Plan is not provided by the City of Galveston City Council, the GHA Board of Commissioners hereby believes it is required to approve the attached "Plan for Galveston Public Housing Reconstruction" and, therefore, agrees

to submit the attached Plan to the City of Galveston City Council for its review and possible approval; provided, however, that GHA reserves the right to rescind and reconsider any provision thereof in the event the State of Texas should suspend or interrupt or threaten to suspend or interrupt the flow of disaster recovery funding to the City of Galveston due to the possibility of lack of funding for any acts required of GHA under the Plan.

Approved on September 28, 2012

	AYES	NAYS	ABSTENTIONS	ABSENCES
Irwin "Buddy" Herz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Brown	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Betty Massey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teresa Banuelos	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ann Masel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Certified and signed by:



 Mona Purgason, Interim Executive Director/Secretary
 For the Board

PLAN FOR GALVESTON PUBLIC HOUSING RECONSTRUCTION

ARTICLE 1. MIXED-INCOME HOUSING ON FORMER PUBLIC HOUSING SITES.

Under the agreement between MBS and GHA, GHA's developer will begin construction of mixed-income developments at Magnolia Homes and Cedar Terrace as follows:

- (a) The developer will break ground at Cedar Terrace in 6 months and complete construction of all units 14 months thereafter;
- (b) The developer will break ground at Magnolia Homes in 8 months and complete construction of all units 16 months thereafter;
- (c) Site preparation and utility work on both sites will begin within 90 days of a subgrantee agreement furnished by GLO to GHA.

The developments combined shall provide 141 public housing units. These units may be 141 ACC units or 113 ACC units and 28 PBV units, if the latter is financially necessary to carry out this agreement in a manner that affirmatively furthers fair housing.

The Cedar Terrace and Magnolia Homes mixed-income developments must produce tenant integration through a combination of public housing and market rate units by providing no less than 50 percent of the total units in each development as market rate housing units. Tenants shall be assigned housing units within the developments in a manner that physically integrates public housing residents throughout the developments. In order to ensure the developments are integrated, mixed-income housing, minimum income limits will be set at 80% of Area Median Family Income adjusted for family size for occupancy of market rate units.

Public housing tenants and tenants residing in any project-based voucher units in the mixed-income housing developments, shall, to the greatest extent possible consistent with federal law and regulations, have rights no less than the rights of tenants in public housing.

Subject to HUD approval, if the Oleander site is sold, the proceeds of the sale shall be used to fund the development of mixed income developments at Cedar Terrace and Magnolia Homes and/or to provide funds for homeownership conversion or tenant services to housing units created under Article 1 or Article 3.

ARTICLE 2. PLANNING FOR COMMUNITY DEVELOPMENT AND HOUSING.

The City shall enter into an interlocal agreement with the GLO to transfer the City's Community Redevelopment Master Plan & Infill Redevelopment Planning Grant, using a HUD \$500,000 planning grant awarded to the City, to be used for a study focusing on revitalization of the North Broadway neighborhood, adjacent low income minority neighborhoods, and for providing data to GLO on other areas of the city that are appropriate for scattered site units. The initiatives proposed in this plan shall be developed in a manner that affirmatively furthers fair housing. The study shall be used to coordinate the use of Round 2 infrastructure funds, Round 2 housing funds, and CDBG-DR funds for the replacement of the public housing units on scattered sites as provided in Article 3.

ARTICLE 3. REPLACEMENT HOUSING ON SCATTERED SITES.

GLO will submit to HUD a plan for the construction of 388 multifamily and single family units on scattered sites and for the operation and management of this housing for a period of no less than 75 years in a manner that affirmatively furthers fair housing.

The submitted plan will include that the developer will provide comprehensive insurance, including windstorm, flood, fire and extended coverage, and general liability insurance, and that said insurance shall name the City of Galveston and GHA as additional insured. To the extent feasible, and consistent with the need to affirmatively further fair housing, sites utilized for the construction of new scattered site units in the City will replace dilapidated or uninhabitable non-public housing units previously damaged or will be built on vacant lots. All sites for scattered site units are subject to HUD review.

These units shall be taxed according to the applicable state laws or under an agreement entered into between the City and the owner/operator to provide a payment in lieu of taxes. Housing developed under this subchapter will not be eligible for a property tax exemption as a Community Housing Development Organization

To increase housing choice options of residents of subsidized housing in neighborhoods in Galveston County where no subsidized housing now exists, up to 50 single family, duplex, triplex, fourplex, or multifamily scattered site units (which may be required to be mixed-income to affirmatively further fair housing) may be rebuilt outside the City of Galveston and within Galveston County on scattered sites. The location of these homes must affirmatively further fair housing and be within neighborhoods where there is an underrepresentation of project-based and tenant-based subsidized housing. All sites for scattered site units are subject to HUD review. If, after exhausting every reasonable effort, after 24 months GLO encounters delays or difficulties in acquiring sites and beginning rebuilding of scattered site units outside the city of Galveston, complainants may require that the remaining scattered site units be rebuilt on sites within the city of Galveston.

ARTICLE 4. PROJECT BASED VOUCHERS.

HUD will provide the required number of 15 year, renewable project based vouchers in order to make rents affordable to the tenants living in the housing units designated for project-based vouchers constructed under Articles 1 and 3. These vouchers will be provided through GHA, or at the discretion of HUD, through the Texas Department of Housing and Community Affairs or in any other manner determined by HUD. The PHA administering the vouchers will reapply for the renewal of the same number of vouchers when the first 15 year term expires.

ARTICLE 5. HOUSING UNIT CONFIGURATION.

The units created will replace the pre-Ike bedroom distribution with the exception that five bedroom units may be replaced with four bedroom units.

ARTICLE 6. ACTIONS OF THE CITY AND GHA.

The City of Galveston and GHA will act in compliance with all applicable laws and will not unreasonably delay or withhold required approvals.

The Galveston City Council's approval of this Plan for submission to GLO and HUD constitutes the City's commitment to cooperate with the GLO to facilitate the development of public housing replacement units required by this Plan consistent with fair housing and civil rights laws and regulations.

ARTICLE 7. SECTION 3 EMPLOYMENT AND CONTRACTING PERFORMANCE.

In the development of scattered site units under Article 3, the GLO and its contractors and subcontractors shall operate in compliance with the applicable Section 3 Plan approved by the General Land Office. In the development of mixed-income units under Article 1, GHA and its contractors shall adopt the employment and contracting goals in the GHA Section 3 plan dated February 27, 2012.

ARTICLE 8. AVAILABILITY OF ADEQUATE FINANCING AND FUNDING.

GLO and HUD shall act to ensure that sufficient financial resources and funding are available from CDBG-DR funds and other sources to successfully carry out this plan. No general fund monies from the City of Galveston shall be required to carry out this plan.

ARTICLE 9. RIGHT TO RETURN AND OUTREACH TO DISPLACED RESIDENTS.

Tenants who were residing as named members of the household under public housing leases in GHA public housing on September 12, 2008 (which specifically includes household members who were minors on that date), and who were forced to evacuate as a result of Hurricane Ike ("displaced public housing residents"), and their current household members, shall have a preference to return to replacement housing created under this plan as it becomes available. In order to obtain this preference, the displaced public housing tenants must satisfy and comply with GHA's standard criteria and procedures for annual re-certifications for continued occupancy under GHA's ACOP, which specifically includes income qualifications and criminal background checks per HUD guidelines. Displaced public housing residents in this context will be treated as existing public housing tenants. If GHA determines that a displaced public housing resident would no longer qualify or be eligible for continued occupancy under GHA's ACOP, GHA shall give written notice of disqualification or non-eligibility, stating the specific grounds for disqualification or non-eligibility, the right to examine documents directly relevant to the disqualification or non-eligibility, the right to request a grievance hearing, and the opportunity for a grievance hearing in that regard. The preference described in this Article shall expire for each displaced public housing resident when the resident has been recertified and placed into a replacement housing unit, and shall in any event, expire four years from approval of this Plan by GLO and HUD.

For all components of this plan, GHA and GLO will conduct outreach efforts to attempt to locate displaced public housing residents. Outreach efforts by GHA shall include mailings to displaced public housing residents at their last known addresses. All such mailings shall include a request that the recipient notify other displaced public housing residents who may not have received the notice for some reason. Additional outreach efforts shall be conducted by GLO and shall include notices placed in Galveston and Houston newspapers, in other Texas newspapers, and public service announcements in Galveston and Houston broadcast media; in the alternative, GLO shall allocate to GHA at least \$10,000 for use in conducting these print and broadcast media outreach efforts. The method, timing, and exact text of notices or announcements by GHA shall be formulated by a collaborative effort between GHA, Lone Star Legal Aid, and up to two

representatives from the Galveston County Collaborating Organizations. All announcements, notices and correspondence to displaced public housing residents in this regard shall be in English and in Spanish and shall advise that the displaced public housing residents may contact the Texas Legal Services Center, the Galveston County Bar Association Pro Bono Program, Lone Star Legal Aid, or an attorney of their choice for free legal assistance with returning to Galveston public housing, and shall contain contact information for these three organizations. GHA shall maintain and regularly update an outreach database of displaced public housing residents for a period of at least one year after the first replacement housing under this Plan is available for occupancy: at that time, the outreach database shall be closed and no further updates by GHA shall be required. The database shall include the name, current or last known address, telephone number and a description of the communications to/from displaced public housing residents. The closing of the database shall not, however, affect the preference described above. GHA shall make the database available to the complainants, Lone Star Legal Aid, and to Galveston County Collaborating Organizations as needed to assure all displaced public housing residents are offered the opportunity to return. GHA shall update the displaced public housing residents in the database on a regular basis regarding the progress of rebuilding efforts.

ARTICLE 10. DETAILS RELATED TO GLO DEVELOPED SCATTERED SITE HOUSING PROGRAM.

- (a) **Bedroom mix.** The bedroom composition of the public housing and project-based voucher units in the mixed-income developments and the bedroom composition of the scattered site units shall, in aggregate, produce the same bedroom mix as public housing units that have been demolished following Hurricane Ike with the exception that five bedroom units may be replaced with four bedroom units.
- (b) **Additional CDBG-DR Funds.** To the extent CDBG-DR funds currently intended to be distributed to the City and GHA for public housing or affordable rental housing under the Method of Distribution remain after the units contemplated herein are developed, the remaining funds shall be utilized, as permissible, to establish a maintenance reserve and tenant services fund, and to the extent that this is not permissible, shall be used by GLO to construct or rehabilitate additional single family homes and town homes as non-subsidized affordable rental housing within the city, if permitted by law. These homes will be developed, owned, operated, made available for sale to tenants, and maintained under the terms of this agreement.
- (c) **Tenant mobility and fair housing program.** The provisions having been triggered by the availability of permanent Section 8 vouchers to households formerly utilizing temporary housing assistance, the State of Texas will implement the provisions of article B.2.g. of the Conciliation Agreement to operate for five-years a fair housing mobility counseling program for persons within the City of Galveston and Galveston County. GHA shall cooperate with this activity. Complainants and HUD will approve the program operator and program design. The mobility counseling program may be funded from land sale proceeds, CDBG-DR or any other federal, state or local funds.

- (d) **Resident support funding.** Sufficient funding must be provided through the State of Texas for the support of residents living in the mixed income and scattered site housing in the form of resident support services, conflict intervention, community relations services, resident self-sufficiency, and tenant mobility counseling and relocation assistance. These funds shall not replace the tenant services funds and Human Capital funds provided for in the GHA/MBS plan to support tenants in the mixed-income developments.
- (e) **Owner/operator.** All scattered site housing will be constructed as new units and GLO will contract with a competent, qualified, mission driven nonprofit owner/operator, unless specifically prohibited by law, to own, operate, and maintain the housing. The owner/operator will be selected and in place before construction activities commence. The owner/operator will be consulted in the development of plans and specifications for the scattered site housing.
- (f) **Scattered site unit configuration.** GLO or its designee will construct scattered site project-based rent subsidized single-family homes and townhouses. If a reasonable showing is made that insufficient available and affordable sites exist within the city, some units may be constructed as higher density housing.
- (g) **Homeownership option.** All residents of single and multifamily scattered site units shall be eligible for a homeownership program under rules established by the managing nonprofit and approved by complainants. The management plan may provide for individual development savings accounts (IDAs), homebuyer training, and financial training to permit tenants to purchase single family homes. The home made available for homeownership may be either an existing home operated under this program or a new home. GHA, GLO, and the complainants will cooperate to identify available programs and resources to enhance the homeownership program. When an existing home is to be sold into homeownership, an additional rental home will replace the home sold under a homeownership program before the home is sold and the project-based voucher (if available) will be transferred to the new rental home. Homes must be replaced in the city in which they are located in a manner consistent with fair housing standards. No family will be denied the opportunity to rent or to live in any unit because they may be unable to later purchase that unit.
- (h) **Affordability term.** All the housing assets in this agreement will be protected with no less than a 75 year Land Use Restriction Agreement approved by HUD and the complainants. The State of Texas will monitor compliance and enforce the LURA including recovering the properties and transferring the properties and other program assets to a different entity if necessary.
- (i) **Other provisions.** GLO will, in good faith, negotiate and enter into an agreement with the complainants to implement the following additional provisions regarding homes developed under this plan:
- Visitable by persons with disabilities.
 - Constructed to the maximum extent economically feasible as zero net energy by incorporating technologies such as solar panels and super energy efficiency design and construction.

- Designed by experienced architects in a manner that integrates the structures aesthetically into the neighborhoods where they are built.
- Designed and constructed for maximum hurricane survivability, with durable materials and low maintenance design.

(j) **Tenant services in scattered site units.** An agreement will be maintained by the owner/operator with one or more experienced area social service agencies, including GHA, having a demonstrated successful track record to support tenants of the scattered site units to become self sufficient and, to the extent possible, to move out of subsidized housing into private market rate housing or homeownership. The management plan shall provide for individual development savings accounts (IDAs), homebuyer training, and financial training to permit tenants to purchase the homes they occupy, as well as additional educational services to the children who live in these units.

(k) **Tenant rights.** To the extent feasible, GLO shall require that tenants of all the units constructed under this program shall have rights not less than the rights of tenants in public housing.

(l) **Tenant selection priorities**

(1) The following priorities are effective until 2 years after completion of the final unit in this Reconstruction Plan:

1st priority - Displaced public housing residents (as defined in Article 9) shall be given first preference and shall take precedence over any other public housing program preference;

2nd priority – GHA public housing waiting list applicants who are “residents” of Galveston shall be given second preference and shall take precedence over all other applicants on the GHA’s public housing waiting list except for displaced public housing residents who shall receive first preference; “resident” of Galveston shall be defined as follows: a) persons who reside in, work in, or have been notified that they have been hired to work in the City of Galveston, as permitted by 24 CFR 960.206(b)(1) and 24 CFR 982.207(b)(1), and b) persons who were living in Galveston in September 2008 but who currently do not reside in Galveston.

Further tenant selection priorities will be established by agreement between the Galveston Housing Authority, the City of Galveston, Lone Star Legal Aid, the Galveston County Collaborating Organizations, GLO, and complainants, with the assistance and approval of HUD.

(2) GLO will require the owner/operator of the scattered site housing to develop:

a. Plan for review and approval of residents referred by GHA from GHA’s public housing waiting list.

b. Affirmative fair housing marketing plan.

c. If the owner/operator maintains its own waiting list for any reason, waiting list management procedure that includes information related to application taking, waiting lists, and record keeping related to tenant applications.

d. Protocol and procedures that shall be used by the owner/operator for approving tenants referred by GHA from GHA's public housing waiting list or from the owner/operator's own waiting list covering tenant selection and screening criteria, applicant interviews, and requirements and procedures when applicants are found to be ineligible, including written notification to applicants of denial of assistance.

e. Contingency plan for tenant admissions, operations and rents to be employed for additional units developed under Article 10 (b) and to be used for scattered site units created under Article 3 in the event project based vouchers cease to be available for any units developed under Article 3. This plan shall provide that units shall be rented to tenants with the lowest household income who can, consistent with reasonable business practices, be expected to afford the unsubsidized rent levels required to maintain the units in first class condition as set forth in Article 10 (n) and provide tenant services as described in Article 10 (j). Under this plan the owner/occupant shall not refuse to consider a tenant application on the basis that the tenant has a Housing Choice Voucher.

f. A procedure for amending these plans and the authority of parties to review and comment on these amendments.

These plans and procedures shall be submitted to HUD and complainants for review and approval within 120 days of the selection of the owner/operator.

(m) **Construction.** All new construction must comply with building codes and standards, zoning ordinances, and all applicable development regulations of the jurisdiction in which the housing is constructed.

(n) **Maintenance of scattered site units.** All units will be maintained by the owners/operators in a first-class condition (reasonable wear and tear excepted). GLO shall propose, through the plan submitted by HUD, mandatory replacement reserves and housing quality standards equal to or greater than those required by the Texas Department of Housing and Community Affairs for owners of Low Income Housing Tax Credit developments and shall consult with GHA, the City and complainants in developing those standards. GLO shall determine whether a performance and maintenance bond can be reasonably required of the owner/operator to ensure that properties are maintained at all times in a first class condition. GLO shall establish a clear process, in consultation with the City, GHA, and complainants to permit the parties to issue a written demand to the owners/operators to promptly correct any identified deficiencies or conditions so as to bring the housing units into first-class condition and provide a method for the adjudication of disputes. The plan adopted by GLO will set forth a process by which the parties may take action to correct the identified deficiencies or conditions and recover the reasonable costs should the owner/operator fail to act in accordance with the provisions of this section.

ARTICLE 11. COMPLIANCE.

The parties will meet within 90 days to determine benchmarks for compliance.

ARTICLE 12. SEVERABILITY.

If any section of this Plan is determined to be in violation of the laws of the State of Texas or against public policy, the remainder of the Plan shall continue to operate in full-force.

ARTICLE 13. AMENDMENT.

With the consent of all parties referenced in this agreement, provisions of this plan may be amended.

RESOLUTION NO. 2662

AUTHORIZING THE GALVESTON HOUSING AUTHORITY (THE "AUTHORITY") TO TAKE SUCH STEPS AS THE AUTHORITY DEEMS NECESSARY TO APPROVE THE FINAL BUDGET FOR THE REDEVELOPMENT OF MAGNOLIA AND CEDAR TERRACE FOR SUBMISSION TO THE GENERAL LAND OFFICE ("GLO"); AUTHORIZING THE AUTHORITY TO EXECUTE, AND TO CARRY OUT SUCH OTHER ACTION NECESSARY OR CONVENIENT TO SUBMIT, ANY DOCUMENTATION PERTAINING TO THE FINAL BUDGET; AND ANY OTHER ACTIONS NECESSARY TO CARRY OUT THESE RESOLUTIONS

WHEREAS, the Housing Authority of the City of Galveston, Texas d/b/a Galveston Housing Authority ("Authority") has previously adopted a redevelopment plan for the replacement of units demolished after Hurricane Ike at the properties formerly known as Magnolia Homes and Cedar Terrace;

WHEREAS, a portion of the redevelopment of the units shall be funded with CDBG-Disaster Recovery funds ("Disaster Funds") administered by the General Land Office ("GLO");

WHEREAS, the GLO has requested the submission of a detailed budget as a condition to release the Disaster Funds to initiate the redevelopment plans;

WHEREAS, the Authority has previously procured McCormack Baron Salazar ("MBS") to serve as the master developer for the redevelopment and prepare all funding budgets necessary to secure financing for the redevelopment;

WHEREAS, the Authority desires to provide the detailed budget to GLO for review and approval;

NOW THEREFORE, in connection with the request for Disaster Funds from GLO for the redevelopment of Magnolia Homes and Cedar Terrace contemplated by these resolutions, the undersigned, being the Galveston Housing Authority (the "Authority"), hereby adopts the following resolutions, and the Executing Officer (as defined below), acting for and on behalf of the Authority, is authorized by the Authority to do the following:

Review and approve the final budget submitted by MBS for the redevelopment of Magnolia Homes and Cedar Terrace and to take such other steps as the Authority deems necessary in order to facilitate the commitments;

Authorize the initiation of negotiations with GLO for the necessary funding agreements for the Disaster Funds;

Authorize any other action necessary to effectuate the foregoing resolutions and the implementation of the redevelopment plan as adopted by the Authority on September 28, 2012.

RESOLVED, that the Interim Executive Director, Director of Real Estate, Development Counsel and/or MBS is authorized (i) to submit the final budget to GLO and (ii) to take such other actions for the Authority as appropriate to initiate negotiations for the funding agreements with GLO in connection with the transactions contemplated hereby; and it is further

RESOLVED, that to the extent any of the actions authorized by this Resolution have already been taken on behalf of the Authority, such actions are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken.

This Resolution shall be in full force and effect from and upon its adoption.

Approved December 3, 2012

	AYES	NAYS	ABSTENTIONS	ABSENCES
Irwin "Buddy" Herz	<u>✓</u>	_____	_____	_____
Anthony Brown	<u>✓</u>	_____	_____	_____
Teresa Banuelos	<u>✓</u>	_____	_____	_____
Ann Masel	<u>✓</u>	_____	_____	_____
J.T. Edwards	<u>✓</u>	_____	_____	_____

Certified and signed by:



Mona Purgason, Secretary/Interim Executive Director
For the Board

EXHIBIT F
SUMMARY BUDGET – PHASE II ONLY (PERMANENT FINANCING)

Grantee or Applicant HA: **Galveston Housing Authority**

Development Name and Phase: **Cedar Terrace**

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet):	49	73			122

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance: Loan	Loan	\$ 481,000	\$ -	\$ -	\$ 481,000
Public Housing Capital Assistance: Grant	Grant	\$ -	\$ -	\$ -	\$ -
Low Income Housing Tax Credit Equity	Equity	\$ -	\$ 4,697,000	\$ -	\$ 4,697,000
Other: TBD Lender	1st Mortgage	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000
Other: CDBG-DR Rd 1 PHU	Loan	\$ -	\$ -	\$ 6,596,610	\$ 6,596,610
Other: CDBG-DR Rd 2 PHU	Loan	\$ -	\$ -	\$ 7,886,785	\$ 7,886,785
Other: CDBG-DR Rd 2 Affordable	Loan	\$ -	\$ -	\$ -	\$ -
Other: GHA Insurance Proceeds	Loan	\$ 4,779,000	\$ -	\$ -	\$ 4,779,000
Other: GHA Program Income	Loan	\$ -	\$ -	\$ -	\$ -
Other: Insert Label	Loan	\$ -	\$ -	\$ -	\$ -
Other: Insert Label	Loan	\$ -	\$ -	\$ -	\$ -
Total Development Sources (Part A)		\$ 5,260,000	\$ 6,897,000	\$ 14,483,395	\$ 26,640,395

Part B: Additional Sources	PH Capital Assist.	Private Funds	Other Public Funds	Total
Other: CDBG-DR Rd 2 PHU	\$ -	\$ -	\$ -	\$ -
Other: CDBG-DR Rd 2 Affordable	\$ -	\$ -	\$ 5,728,247	\$ 5,728,247
Other: GHA Program Income	\$ -	\$ -	\$ -	\$ -
Total Additional Sources (Part B)	\$ -	\$ -	\$ 5,728,247	\$ 5,728,247

Total Sources this Phase (Parts A and B)	\$ 5,260,000	\$ 6,897,000	\$ 20,211,642	\$ 32,368,642
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Part A: Development Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Development Construction Costs					
Residential Construction	1460	\$ 1,742,000	\$ 2,111,605	\$ 11,342,395	\$ 15,196,000
Residential Rehabilitation	1460	\$ -	\$ -	\$ -	\$ -
Builder's General Requirements	1460	\$ -	\$ -	\$ 916,000	\$ 916,000
Builder's Overhead	1460	\$ -	\$ -	\$ 306,000	\$ 306,000
Builder's Profit	1460	\$ -	\$ -	\$ 917,000	\$ 917,000
Site Improvement	1450	\$ -	\$ -	\$ 693,000	\$ 693,000
Other: Community Facility	1470	\$ -	\$ -	\$ 309,000	\$ 309,000
Subtotal: Development Construction Costs		\$ 1,742,000	\$ 2,111,605	\$ 14,483,395	\$ 18,337,000

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	\$ -	\$ -	\$ -	\$ -
Accounting and Cost Certification	1430	\$ 28,000	\$ -	\$ -	\$ 28,000
Appraisal Expense	1430	\$ 11,000	\$ -	\$ -	\$ 11,000
Architect & Engineer Fees	1430	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
Environmental Assessment, Testing & Cleanup	1430	\$ 92,000	\$ -	\$ -	\$ 92,000
Financing & Application Expense, Lender	1430	\$ 561,000	\$ -	\$ -	\$ 561,000
Financing & Application Expense, Tax Credit	1430	\$ 92,000	\$ -	\$ -	\$ 92,000
Insurance, Construction Period	1430	\$ 287,000	\$ -	\$ -	\$ 287,000
Interest, Construction & Bridge Loan(s)	1430	\$ 1,062,000	\$ -	\$ -	\$ 1,062,000
Legal Expense, Developer & Lender(s)	1430	\$ -	\$ 269,000	\$ -	\$ 269,000
Marketing & Lease-up Expense	1430	\$ 285,000	\$ 285,000	\$ -	\$ 570,000
Permits, Construction & Utility Hookup	1430	\$ -	\$ -	\$ -	\$ -
PILOT & Taxes, Construction Period	1430	\$ -	\$ 122,000	\$ -	\$ 122,000
Survey	1430	\$ -	\$ 42,000	\$ -	\$ 42,000
Title & Recording Fees	1430	\$ -	\$ 49,000	\$ -	\$ 49,000
Initial Operating Deficit (Construction Period)	1430	\$ -	\$ -	\$ -	\$ -
Other: Contingency	1430	\$ -	\$ 283,000	\$ -	\$ 283,000
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Reserve Deposit, Operating		\$ -	\$ 875,000	\$ -	\$ 875,000
Other: Developer Fee		\$ -	\$ 2,860,395	\$ -	\$ 2,860,395
Subtotal: Development Soft Costs		\$ 3,518,000	\$ 4,785,395	\$ -	\$ 8,303,395

Total Uses for Development (Part A)	\$ 5,260,000	\$ 6,897,000	\$ 14,483,395	\$ 26,640,395
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Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supp. Services (HOPE VI only)	1408	\$ -	\$ -	\$ 1,112,000	\$ 1,112,000
Management Improvements, PHA	1408	\$ -	\$ -	\$ -	\$ -
Administration, PHA	1410	\$ -	\$ -	\$ 804,830	\$ 804,830
Fees & Costs	1430	\$ -	\$ -	\$ 565,917	\$ 565,917
Site Acquisition	1440	\$ -	\$ -	\$ -	\$ -
Site Improvement	1450	\$ -	\$ -	\$ 3,245,500	\$ 3,245,500
Non-Dwelling Structures	1470	\$ -	\$ -	\$ -	\$ -
Non-Dwelling Equipment	1475	\$ -	\$ -	\$ -	\$ -
Demolition (and associated remediation)	1485	\$ -	\$ -	\$ -	\$ -
Relocation Expense	1495	\$ -	\$ -	\$ -	\$ -
Total Additional Uses (Part B)		\$ -	\$ -	\$ 5,728,247	\$ 5,728,247

Total Uses this Phase (Parts A and B)	\$ 5,260,000	\$ 6,897,000	\$ 20,211,642	\$ 32,368,642
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Check—Do Sources Equals Uses?
Sources minus Uses, Part A \$ - \$ - \$ -
Sources minus Uses, Part B \$ - \$ - \$ -
Sources minus Uses, Phase Total \$ - \$ - \$ -

EXHIBIT F
SUMMARY BUDGET – PHASE I ONLY (PERMANENT FINANCING)

Grantee or Applicant HA: **Galveston Housing Authority**

Development Name and Phase: **Magnolia**

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet):	64	96			160

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance: Loan	Loan	\$ 636,000	\$ -	\$ -	\$ 636,000
Public Housing Capital Assistance: Grant	Grant	\$ -	\$ -	\$ -	\$ -
Low Income Housing Tax Credit Equity	Equity	\$ -	\$ 5,843,000	\$ -	\$ 5,843,000
Other: TBD Lender	1st Mortgage	\$ -	\$ 1,600,000	\$ -	\$ 1,600,000
Other: CDBG-DR Rd 1 PHU	Loan	\$ -	\$ -	\$ 18,403,390	\$ 18,403,390
Other: CDBG-DR Rd 2 PHU	Loan	\$ -	\$ -	\$ -	\$ -
Other: CDBG-DR Rd 2 Affordable	Loan	\$ -	\$ -	\$ -	\$ -
Other: GHA Insurance Proceeds	Loan	\$ 6,321,000	\$ -	\$ -	\$ 6,321,000
Other: GHA Program Income	Loan	\$ -	\$ -	\$ -	\$ -
Other: Insert Label	Loan	\$ -	\$ -	\$ -	\$ -
Other: Insert Label	Loan	\$ -	\$ -	\$ -	\$ -
Total Development Sources (Part A)		\$ 6,957,000	\$ 7,443,000	\$ 18,403,390	\$ 32,803,390

Part B: Additional Sources	PH Capital Assist.	Private Funds	Other Public Funds	Total
Other: CDBG-DR Rd 2 PHU	\$ -	\$ -	\$ -	\$ -
Other: CDBG-DR Rd 2 Affordable	\$ -	\$ -	\$ 7,038,301	\$ 7,038,301
Other: GHA Program Income	\$ -	\$ -	\$ -	\$ -
Total Additional Sources (Part B)	\$ -	\$ -	\$ 7,038,301	\$ 7,038,301

Total Sources this Phase (Parts A and B) align="right">\$ 6,957,000 \$ 7,443,000 \$ 25,441,691 \$ 39,841,691

Part A: Development Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Development Construction Costs					
Residential Construction	1460	\$ 2,639,500	\$ 1,593,110	\$ 14,594,390	\$ 18,827,000
Residential Rehabilitation	1460	\$ -	\$ -	\$ -	\$ -
Builder's General Requirements	1460	\$ -	\$ -	\$ 1,132,000	\$ 1,132,000
Builder's Overhead	1460	\$ -	\$ -	\$ 377,000	\$ 377,000
Builder's Profit	1460	\$ -	\$ -	\$ 1,132,000	\$ 1,132,000
Site Improvement	1450	\$ -	\$ -	\$ 859,000	\$ 859,000
Other: Community Facility	1470	\$ -	\$ -	\$ 309,000	\$ 309,000
Subtotal: Development Construction Costs		\$ 2,639,500	\$ 1,593,110	\$ 18,403,390	\$ 22,636,000

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	\$ -	\$ -	\$ -	\$ -
Accounting and Cost Certification	1430	\$ 28,000	\$ -	\$ -	\$ 28,000
Appraisal Expense	1430	\$ 11,000	\$ -	\$ -	\$ 11,000
Architect & Engineer Fees	1430	\$ 1,358,000	\$ -	\$ -	\$ 1,358,000
Environmental Assessment, Testing & Cleanup	1430	\$ 113,000	\$ -	\$ -	\$ 113,000
Financing & Application Expense, Lender	1430	\$ 646,000	\$ -	\$ -	\$ 646,000
Financing & Application Expense, Tax Credit	1430	\$ 120,000	\$ -	\$ -	\$ 120,000
Insurance, Construction Period	1430	\$ 354,000	\$ -	\$ -	\$ 354,000
Interest, Construction & Bridge Loan(s)	1430	\$ 1,338,000	\$ -	\$ -	\$ 1,338,000
Legal Expense, Developer & Lender(s)	1430	\$ -	\$ 269,000	\$ -	\$ 269,000
Marketing & Lease-up Expense	1430	\$ 349,500	\$ 349,500	\$ -	\$ 699,000
Permits, Construction & Utility Hookup	1430	\$ -	\$ -	\$ -	\$ -
PILOT & Taxes, Construction Period	1430	\$ -	\$ 160,000	\$ -	\$ 160,000
Survey	1430	\$ -	\$ 42,000	\$ -	\$ 42,000
Title & Recording Fees	1430	\$ -	\$ 64,000	\$ -	\$ 64,000
Initial Operating Deficit (Construction Period)	1430	\$ -	\$ -	\$ -	\$ -
Other: Contingency	1430	\$ -	\$ 348,000	\$ -	\$ 348,000
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Reserve Deposit, Operating		\$ -	\$ 1,099,000	\$ -	\$ 1,099,000
Other: Developer Fee		\$ -	\$ 3,518,390	\$ -	\$ 3,518,390
Subtotal: Development Soft Costs		\$ 4,317,500	\$ 5,849,890	\$ -	\$ 10,167,390

Total Uses for Development (Part A) align="right">\$ 6,957,000 \$ 7,443,000 \$ 18,403,390 \$ 32,803,390

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supp. Services (HOPE VI only)	1408	\$ -	\$ -	\$ 1,459,000	\$ 1,459,000
Management Improvements, PHA	1408	\$ -	\$ -	\$ -	\$ -
Administration, PHA	1410	\$ -	\$ -	\$ 1,055,514	\$ 1,055,514
Fees & Costs	1430	\$ -	\$ -	\$ 742,187	\$ 742,187
Site Acquisition	1440	\$ -	\$ -	\$ -	\$ -
Site Improvement	1450	\$ -	\$ -	\$ 3,781,600	\$ 3,781,600
Non-Dwelling Structures	1470	\$ -	\$ -	\$ -	\$ -
Non-Dwelling Equipment	1475	\$ -	\$ -	\$ -	\$ -
Demolition (and associated remediation)	1485	\$ -	\$ -	\$ -	\$ -
Relocation Expense	1495	\$ -	\$ -	\$ -	\$ -
Total Additional Uses (Part B)		\$ -	\$ -	\$ 7,038,301	\$ 7,038,301

Total Uses this Phase (Parts A and B) align="right">\$ 6,957,000 \$ 7,443,000 \$ 25,441,691 \$ 39,841,691

Check—Do Sources Equals Uses?
Sources minus Uses, Part A \$ - \$ - \$ - \$ -
Sources minus Uses, Part B \$ - \$ - \$ - \$ -
Sources minus Uses, Phase Total \$ - \$ - \$ - \$ -

**EXHIBIT F
SUMMARY BUDGET – ALL PHASE (PERMANENT FINANCING)**

Grantee or Applicant HA: **Galveston Housing Authority**

Development Name and Phase: **All Phases**

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet):	113	169			282

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance: Loan	Loan	\$ 1,117,000	\$ -	\$ -	\$ 1,117,000
Public Housing Capital Assistance: Grant	Grant	\$ -	\$ -	\$ -	\$ -
Low Income Housing Tax Credit Equity	Equity	\$ -	\$ 10,540,000	\$ -	\$ 10,540,000
Other: TBD Lender	1st Mortgage	\$ -	\$ 3,800,000	\$ -	\$ 3,800,000
Other: CDBG-DR Rd 1 PHU	Loan	\$ -	\$ -	\$ 25,000,000	\$ 25,000,000
Other: CDBG-DR Rd 2 PHU	Loan	\$ -	\$ -	\$ 7,886,785	\$ 7,886,785
Other: CDBG-DR Rd 2 Affordable	Loan	\$ -	\$ -	\$ -	\$ -
Other: GHA Insurance Proceeds	Loan	\$ 11,100,000	\$ -	\$ -	\$ 11,100,000
Other: GHA Program Income	Loan	\$ -	\$ -	\$ -	\$ -
Other: Insert Label	Loan	\$ -	\$ -	\$ -	\$ -
Other: Insert Label	Loan	\$ -	\$ -	\$ -	\$ -
Total Development Sources (Part A)		\$ 12,217,000	\$ 14,340,000	\$ 32,886,785	\$ 59,443,785

Part B: Additional Sources	PH Capital Assist.	Private Funds	Other Public Funds	Total
Other: CDBG-DR Rd 2 PHU	\$ -	\$ -	\$ -	\$ -
Other: CDBG-DR Rd 2 Affordable	\$ -	\$ -	\$ 12,766,548	\$ 12,766,548
Other: GHA Program Income	\$ -	\$ -	\$ -	\$ -
Total Additional Sources (Part B)	\$ -	\$ -	\$ 12,766,548	\$ 12,766,548
Total Sources this Phase (Parts A and B)	\$ 12,217,000	\$ 14,340,000	\$ 45,653,333	\$ 72,210,333

Part A: Development Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Development Construction Costs					
Residential Construction	1460	\$ 4,381,500	\$ 3,704,715	\$ 25,936,785	\$ 34,023,000
Residential Rehabilitation	1460	\$ -	\$ -	\$ -	\$ -
Builder's General Requirements	1460	\$ -	\$ -	\$ 2,048,000	\$ 2,048,000
Builder's Overhead	1460	\$ -	\$ -	\$ 683,000	\$ 683,000
Builder's Profit	1460	\$ -	\$ -	\$ 2,049,000	\$ 2,049,000
Site Improvement	1450	\$ -	\$ -	\$ 1,552,000	\$ 1,552,000
Other: Community Facility	1470	\$ -	\$ -	\$ 618,000	\$ 618,000
Subtotal: Development Construction Costs		\$ 4,381,500	\$ 3,704,715	\$ 32,886,785	\$ 40,973,000

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	\$ -	\$ -	\$ -	\$ -
Accounting and Cost Certification	1430	\$ 56,000	\$ -	\$ -	\$ 56,000
Appraisal Expense	1430	\$ 22,000	\$ -	\$ -	\$ 22,000
Architect & Engineer Fees	1430	\$ 2,458,000	\$ -	\$ -	\$ 2,458,000
Environmental Assessment, Testing & Cleanup	1430	\$ 205,000	\$ -	\$ -	\$ 205,000
Financing & Application Expense, Lender	1430	\$ 1,207,000	\$ -	\$ -	\$ 1,207,000
Financing & Application Expense, Tax Credit	1430	\$ 212,000	\$ -	\$ -	\$ 212,000
Insurance, Construction Period	1430	\$ 641,000	\$ -	\$ -	\$ 641,000
Interest, Construction & Bridge Loan(s)	1430	\$ 2,400,000	\$ -	\$ -	\$ 2,400,000
Legal Expense, Developer & Lender(s)	1430	\$ -	\$ 538,000	\$ -	\$ 538,000
Marketing & Lease-up Expense	1430	\$ 634,500	\$ 634,500	\$ -	\$ 1,269,000
Permits, Construction & Utility Hookup	1430	\$ -	\$ -	\$ -	\$ -
PILOT & Taxes, Construction Period	1430	\$ -	\$ 282,000	\$ -	\$ 282,000
Survey	1430	\$ -	\$ 84,000	\$ -	\$ 84,000
Title & Recording Fees	1430	\$ -	\$ 113,000	\$ -	\$ 113,000
Initial Operating Deficit (Construction Period)	1430	\$ -	\$ -	\$ -	\$ -
Other: Contingency	1430	\$ -	\$ 631,000	\$ -	\$ 631,000
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Insert Label		\$ -	\$ -	\$ -	\$ -
Other: Reserve Deposit, Operating		\$ -	\$ 1,974,000	\$ -	\$ 1,974,000
Other: Developer Fee		\$ -	\$ 6,378,785	\$ -	\$ 6,378,785
Subtotal: Development Soft Costs		\$ 7,835,500	\$ 10,635,285	\$ -	\$ 18,470,785
Total Uses for Development (Part A)		\$ 12,217,000	\$ 14,340,000	\$ 32,886,785	\$ 59,443,785

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supp. Services (HOPE VI only)	1408	\$ -	\$ -	\$ 2,571,000	\$ 2,571,000
Management Improvements, PHA	1408	\$ -	\$ -	\$ -	\$ -
Administration, PHA	1410	\$ -	\$ -	\$ 1,860,344	\$ 1,860,344
Fees & Costs	1430	\$ -	\$ -	\$ 1,308,104	\$ 1,308,104
Site Acquisition	1440	\$ -	\$ -	\$ -	\$ -
Site Improvement	1450	\$ -	\$ -	\$ 7,027,100	\$ 7,027,100
Non-Dwelling Structures	1470	\$ -	\$ -	\$ -	\$ -
Non-Dwelling Equipment	1475	\$ -	\$ -	\$ -	\$ -
Demolition (and associated remediation)	1485	\$ -	\$ -	\$ -	\$ -
Relocation Expense	1495	\$ -	\$ -	\$ -	\$ -
Total Additional Uses (Part B)		\$ -	\$ -	\$ 12,766,548	\$ 12,766,548
Total Uses this Phase (Parts A and B)		\$ 12,217,000	\$ 14,340,000	\$ 45,653,333	\$ 72,210,333

Check—Do Sources Equals Uses?
Sources minus Uses, Part A \$ - \$ - \$ -
Sources minus Uses, Part B \$ - \$ - \$ -
Sources minus Uses, Phase Total \$ - \$ - \$ -